



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2004
OF THE CONDITION AND AFFAIRS OF THE

Health Alliance Plan of Michigan

NAIC Group Code	1311	1311	NAIC Company Code	95844	Employer's ID Number	38-2242827
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [X] No []					
Date Incorporated	06/27/1978		Commenced Business	02/08/1979		
Statutory Home Office	2850 West Grand Boulevard			Detroit, MI 48202		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	2850 West Grand Boulevard		Detroit, MI 48202		313-872-8100	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	2850 West Grand Boulevard			Detroit, MI 48202		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	2850 West Grand Boulevard		Detroit, MI 48202		248-443-1093	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Website Address	www.hap.org					
Statutory Statement Contact	Dianna Ronan, CPA			248-443-1093		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	Dronan@hap.org			248-443-8610		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact	2850 West Grand Boulevard		Detroit, MI 48202		313-872-8100	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number) (Extension)	

OFFICERS

Name	Title	Name	Title
Francine Parker	President and CEO	Maurice E. McMurray	Secretary
Ronald W. Berry	Treasurer	Deborah Tasich-Withrow	Assistant Secretary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Nicholas C. Anderson	Donald W. Boggs	Mary Beth Bolton, M.D.	Herman W. Coleman
Dennis H. DePaulis	Mary C. Dickson	John T. Gargaro	Jethro Joseph
Gregg Pane, M.D.	Francine Parker #	William L. Peirce	Carol Quigley, IHM
Catherine A. Roberts	Robin Scales-Wooten #	Nancy Schlichting	Gerald K. Smith
Rebecca R. Smith, M.D. #	Daniel Watson #		

State ofMichigan.....
County ofWayne..... SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Francine Parker
President and CEO

Maurice E. McMurray
Secretary

Ronald W. Berry
Treasurer

Subscribed and sworn to before me this
14th day of August, 2004

Roderick I. Curry, CPA, Notary
August 14, 2004

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

STATEMENT AS OF JUNE 30, 2004 OF THE
Health Alliance Plan of Michigan

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	180,218,155	19,249,010	160,969,145	160,807,418
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	4,198,787	3,246,303	952,484	902,674
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (6,964,917)), cash equivalents (\$ 146,410,908) and short-term investments (\$ 27,950,821)	167,396,812		167,396,812	143,856,036
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	0	0	0	0
8. Receivable for securities			0	0
9. Aggregate write-ins for invested assets	497,068	0	497,068	442,181
10. Subtotals, cash and invested assets (Lines 1 to 9)	352,310,822	22,495,313	329,815,508	306,008,309
11. Investment income due and accrued	623,781		623,781	642,841
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	17,298,733		17,298,733	17,407,641
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
12.3 Accrued retrospective premiums			0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers			0	0
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon			0	0
15.2 Net deferred tax asset			0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software	17,381,755	15,537,842	1,843,914	2,658,801
18. Furniture and equipment, including health care delivery assets (\$)	2,651,335	2,651,335	0	0
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates	885,618		885,618	666,358
21. Health care (\$ 2,025,070) and other amounts receivable	2,025,070		2,025,070	2,775,524
22. Other assets nonadmitted	919,002	919,002	0	0
23. Aggregate write-ins for other than invested assets	130,272	0	130,272	180,646
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	394,226,387	41,603,492	352,622,895	330,340,120
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	394,226,387	41,603,492	352,622,895	330,340,120
DETAILS OF WRITE-INS				
0901. Investments in Rabbi Trust	345,788		345,788	355,041
0902. Deferred Compensation	151,279		151,279	87,140
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	497,068	0	497,068	442,181
2301. Other Receivables	130,272		130,272	180,646
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	130,272	0	130,272	180,646

STATEMENT AS OF JUNE 30, 2004 OF THE
Health Alliance Plan of Michigan

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	87,121,530	680,048	87,801,578	79,836,309
2. Accrued medical incentive pool and bonus amounts	2,571,442		2,571,442	2,298,942
3. Unpaid claims adjustment expenses	1,362,911		1,362,911	1,499,226
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	16,211,085		16,211,085	28,018,413
9. General expenses due or accrued	16,079,081		16,079,081	16,187,935
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	723,872
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	217,791		217,791	592,809
16. Payable for securities	500,088		500,088	503,987
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured accident and health plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	9,630,639	0	9,630,639	7,858,887
22. Total liabilities (Lines 1 to 21)	133,694,567	680,048	134,374,615	137,520,379
23. Common capital stock	XXX	XXX		0
24. Preferred capital stock	XXX	XXX		0
25. Gross paid in and contributed surplus	XXX	XXX		0
26. Surplus notes	XXX	XXX		0
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28. Unassigned funds (surplus)	XXX	XXX	218,248,280	192,819,741
29. Less treasury stock, at cost:				
29.1 shares common (value included in Line 23)				
\$)	XXX	XXX		0
29.2 shares preferred (value included in Line 24)				
\$)	XXX	XXX		0
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	218,248,280	192,819,741
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	352,622,895	330,340,120
DETAILS OF WRITE-INS				
2101. Pension Liability - Long Term	8,486,462		8,486,462	6,831,317
2102. Retiree Health Benefits	992,897		992,897	940,431
2103. Deferred Compensation	151,279		151,279	87,140
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	9,630,639	0	9,630,639	7,858,887
2701.	XXX	XXX		0
2702.	XXX	XXX		0
2703.	XXX	XXX		0
2798. Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX	0	0

STATEMENT AS OF JUNE 30, 2004 OF THE
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STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	xxx	2,794,154	2,850,074
2. Net premium income (including non-health premium income).....	xxx	719,232,805	673,448,792
3. Change in unearned premium reserves and reserve for rate credits	xxx		0
4. Fee-for-service (net of \$ medical expenses)	xxx		0
5. Risk revenue	xxx		0
6. Aggregate write-ins for other health care related revenues	xxx	0	0
7. Aggregate write-ins for other non-health revenues	xxx	0	0
8. Total revenues (Lines 2 to 7)	xxx	719,232,805	673,448,792
Hospital and Medical:			
9. Hospital/medical benefits		285,604,016	283,136,276
10. Other professional services			0
11. Outside referrals		11,528,741	10,490,084
12. Emergency room and out-of-area		56,884,329	49,548,907
13. Prescription drugs		121,071,292	113,440,972
14. Aggregate write-ins for other hospital and medical.....	0	175,519,914	154,449,746
15. Incentive pool, withhold adjustments and bonus amounts.....		1,559,500	0
16. Subtotal (Lines 9 to 15)	0	652,167,792	611,065,985
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	652,167,792	611,065,985
19. Non-health claims			0
20. Claims adjustment expenses, including \$ 3,436,333 cost containment expenses.....		7,220,748	3,901,927
21. General administrative expenses.....		50,530,917	48,603,863
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22)	0	709,919,457	663,571,775
24. Net underwriting gain or (loss) (Lines 8 minus 23)	xxx	9,313,348	9,877,017
25. Net investment income earned		3,811,825	3,151,698
26. Net realized capital gains (losses)		1,454,671	2,580,154
27. Net investment gains (losses) (Lines 25 plus 26)	0	5,266,496	5,731,852
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	334,048	(27,338)
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	xxx	14,913,892	15,581,531
31. Federal and foreign income taxes incurred	xxx		0
32. Net income (loss) (Lines 30 minus 31)	xxx	14,913,892	15,581,531
DETAILS OF WRITE-INS			
0601.	xxx		0
0602.	xxx		0
0603.	xxx		0
0698. Summary of remaining write-ins for Line 6 from overflow page	xxx	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	xxx	0	0
0701.	xxx		0
0702.	xxx		0
0703.	xxx		0
0798. Summary of remaining write-ins for Line 7 from overflow page	xxx	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	xxx	0	0
1401. Outpatient.....		120,706,615	95,898,710
1402. Radiology/Lab.....		14,876,909	16,665,098
1403. Ambulance.....		3,072,030	2,752,717
1498. Summary of remaining write-ins for Line 14 from overflow page	0	36,864,360	39,133,221
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	175,519,914	154,449,746
2901. Gain/(Loss) on Sale of Assets.....		(6,725)	(28,407)
2902. Miscellaneous Revenue.....		340,773	1,069
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	334,048	(27,338)

STATEMENT AS OF JUNE 30, 2004 OF THE
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CAPITAL AND SURPLUS ACCOUNT

	1 Current Year to Date	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior reporting year.....	192,819,741	180,314,309
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34. Net income or (loss) from Line 32	14,913,892	30,868,503
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Net unrealized capital gains and losses	1,643,757	11,080,036
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	8,870,890	(21,670,923)
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock		0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		(3,202,117)
44. Capital Changes:		
44.1 Paid in		0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in		(1,766,793)
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		1,766,793
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	(4,570,067)
48. Net change in capital & surplus (Lines 34 to 47)	25,428,539	12,505,432
49. Capital and surplus end of reporting period (Line 33 plus 48)	218,248,280	192,819,741
DETAILS OF WRITE-INS		
4701. Minimum Pension Liability Adjustment.....		1,579,933
4702. SelectCare Investment Valuation Change.....		0
4703. SelectCare Goodwill Adjustment.....		(6,150,000)
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	(4,570,067)

STATEMENT AS OF JUNE 30, 2004 OF THE
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CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	707,534,386	1,366,465,773
2. Net investment income	4,532,055	6,801,673
3. Miscellaneous income	1,141,602	(2,767,858)
4. Total (Lines 1 to 3)	713,208,043	1,370,499,588
5. Benefits and loss related payments	645,429,249	1,230,694,044
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	46,892,816	91,865,211
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	692,322,065	1,322,559,255
11. Net cash from operations (Line 4 minus Line 10)	20,885,978	47,940,333
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,407,129	160,339,350
12.2 Stocks	13,038,380	170,549
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	18,445,509	160,509,900
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	118,273,070
13.2 Stocks	11,297,781	63,921,827
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	58,785	21,950,579
13.7 Total investments acquired (Lines 13.1 to 13.6)	11,356,566	204,145,477
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	7,088,943	(43,635,577)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(4,434,144)	(12,177,215)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(4,434,144)	(12,177,215)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Lines 15 and 17)	23,540,777	(7,872,459)
19. Cash and short-term investments:		
19.1 Beginning of period	143,856,036	151,728,495
19.2 End of period (Line 18 plus Line 19.1)	167,396,813	143,856,036

STATEMENT AS OF JUNE 30, 2004 OF THE
Health Alliance Plan of Michigan

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	471,150	6,060	429,775	20,998	.0	.0	.0	14,317	.0	.0	.0	.0	.0
2 First Quarter	465,030	5,891	423,485	21,324	.0	.0	.0	14,330	.0	.0	.0	.0	.0
3 Second Quarter	463,245	5,687	421,111	21,405				15,042					
4. Third Quarter	0												
5. Current Year	0												
6 Current Year Member Months	2,794,154	35,197	2,544,189	127,724				87,044					
Total Member Ambulatory Encounters for Period:													
7. Physician	859,009												859,009
8. Non-Physician	432,967												432,967
9. Total	1,291,976	0	0	0	0	0	0	0	0	0	0	0	1,291,976
10. Hospital Patient Days Incurred	86,791		50,723	21,837				13,376					855
11. Number of Inpatient Admissions	19,903		13,300	3,843				2,506					254
12. Health Premiums Written	717,175,874	6,908,978	563,499,683	44,765,625			35,006,001	66,995,587					
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	719,232,805	6,891,596	564,006,533	44,765,625			36,573,464	66,995,587					
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	645,429,249	6,134,891	503,440,878	39,126,146			34,803,776	62,004,844	(81,286)				
18. Amount Incurred for Provision of Health Care Services	652,167,792	6,275,806	513,610,434	40,233,422			32,991,811	59,056,319					

STATEMENT AS OF JUNE 30, 2004 OF THE
Health Alliance Plan of Michigan

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
St. Joseph Hospital.....		13,520				13,520
St. John Hospital & Medical Ctr.....	292,431					292,431
William Beaumont Hospital.....	188,399					188,399
Henry Ford Health System-Hospital.....	144,072					144,072
Children's Hospital of MI.....	107,236					107,236
Sinai Hospital of Detroit.....	84,954					84,954
Henry Ford Wyandotte Hospital.....	34,104					34,104
Bi-County Community Hospital.....	32,590					32,590
Akron General Medical Ctr.....	16,218					16,218
Oakwood Hospital & Medical Ctr Dearborn.....	15,499					15,499
St. Joseph Mercy Oakland.....	15,320					15,320
Genesys Reg Med Ctr Health.....	12,788					12,788
Bon Secour Cottage Health Service.....	11,502					11,502
Heartland HCC-University.....	11,340					11,340
Oakwood Hospital Annapolis Ctr.....	11,312					11,312
Crittenton Hospital.....	10,242					10,242
0199999 Individually Listed Claims Unpaid	988,007	13,520	0	0	0	1,001,527
0299999 Aggregate Accounts Not Individually Listed-Uncovered	675,257	4,201		330	260	680,048
0399999 Aggregate Accounts Not Individually Listed-Covered	8,410,126	26,518	4,706	723	5,126	8,447,199
0499999 Subtotals	10,073,390	44,239	4,706	1,053	5,386	10,128,774
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	54,555,004
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	23,117,800
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	87,801,578
0899999 Accrued Medical Incentive Pool and Bonus Amounts	XXX	XXX	XXX	XXX	XXX	2,571,442

STATEMENT AS OF JUNE 30, 2004 OF THE
Health Alliance Plan of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	55,857,771	452,430,998	9,234,548	73,977,643	65,092,319	73,174,220
2. Medicare Supplement	3,233,362	35,892,784	700,725	4,812,762	3,934,087	4,406,211
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	3,593,402	31,210,374	203,315	2,020,827	3,796,717	4,036,107
6. Title XVIII - Medicare	2,607,969	59,396,875	(2,885,868)	(383,568)	(277,899)	(320,911)
7. Title XIX - Medicaid	(81,286)		121,194		39,908	39,908
8. Other Health					0	0
9. Health Subtotal (Lines 1 to 8).....	65,211,218	578,931,031	7,373,914	80,427,664	72,585,132	81,335,535
10. Other non-health					0	0
11. Medical incentive pools and bonus amounts	1,287,000		1,011,942	1,559,500	2,298,942	2,298,942
12. Totals	66,498,218	578,931,031	8,385,856	81,987,164	74,884,074	83,634,477

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Practices – No change.
- B. Use of Estimates in the Preparation of the Financial Statements – No change.
- C. Accounting Policy – No change.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

- A. Material changes in accounting principles and/or correction of errors – No change.
- B. The cumulative effect of changes in accounting principles – No change.

3. BUSINESS COMBINATIONS AND GOODWILL

- A. Statutory Purchase Method – No change.
- B. Statutory Merger – Not applicable.
- C. Assumption Reinsurance – Not applicable.
- D. Impairment Loss – Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable.
- B. Debt Restructuring – Not applicable.
- C. Reverse Mortgages – Not applicable.
- D. Loan-Backed Securities – Not applicable.
- E. Repurchase Agreements – Not applicable.
- F. Real Estate – Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable.

7. INVESTMENT INCOME

- A. The bases for excluding (nonadmitting) any investment income due and accrued – Not applicable.
- B. The total amount of investment excluded – Not applicable.

8. DERIVATIVE INSTRUMENTS

Not applicable.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

The Corporation is an entity described under Internal Revenue Code Section 501(c)(3) and as such is exempt from federal income taxes. During 2003, Management of the Corporation resolved certain outstanding issues with respect to a coordinated exam program conducted by the Internal Revenue Service, which did not have a significant impact on the financial statements. Management expects to resolve the remaining issues with respect to this exam that may result in a conversion to a 501(c)(4) status. The conversion is not expected to have a material impact on the financial statements.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No change.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No change.

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS.

- A. The Corporation has no common stock.
- B. The Corporation has no preferred stock.
- C. The Corporation has no restrictions on unassigned funds (surplus).
- D. The Corporation holds 1,500,000 shares of AHLIC stock with a par value of \$1,500,000.
- E. The Corporation has no surplus notes outstanding.
- E. The Corporation has no quasi-reorganization to report.

15. LEASES

No change.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. Transfers of Receivables Reported as Sales – Not applicable.
- B. Transfer and Servicing of Financial Assets – Not applicable.
- C. Wash sales – Not applicable.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

- A. ASO Plans – Not applicable.
- B. ASC Plans – Not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract – Not applicable.

NOTES TO FINANCIAL STATEMENTS

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/
THIRD PARTY ADMINISTRATORS**

Not applicable.

20. SEPTEMBER 11 EVENTS

Not applicable.

21. OTHER ITEMS

- A. Extraordinary Items – Not applicable.
- B. Troubled Debt Restructuring – Not applicable.
- C. Other Disclosures:

Stop Loss / Out-of-Network Reserve—During 2003, the Corporation established a trust in the amount of \$12,000,000 for the sole benefit of subscribers and enrollees, to cover catastrophic exposure for members where HAP retains risk for health care services which exceed \$500,000 per occurrence and, in the event of insolvency, to cover services provided to members by non-contracted providers. The funds are maintained in compliance with an agreement with the Commissioner of Insurance for the State of Michigan and can only be used by the Corporation at the direction of the Insurance Commissioner. The funds are invested in a Money Market Fund (stated at market value) and interest on these funds accrues to the Corporation.

As a condition of licensure with the State of Michigan, the Corporation is required to maintain a minimum deposit of \$1,000,000 in a segregated account. These funds can only be used by the Corporation at the direction of the Insurance Commissioner of the State of Michigan. The funds are invested in a Money Market Fund (stated at market value). Interest on these funds accrues to the Corporation.

- D. Uncollectible Portions of Premium Balances, Bills Receivable for Premiums, Amounts Due From Agents And Brokers, Uninsured Plans and Retrospectively Rated Contracts – Not applicable.
- E. Business Interruption Insurance Recoveries – Not applicable.

22. EVENTS SUBSEQUENT

Not applicable.

23. REINSURANCE

- A. Ceded Reinsurance Report – Not applicable.
- B. Uncollectible Reinsurance – Not applicable.
- C. Commutation of Ceded Reinsurance – Not applicable.

**24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO
REDETERMINATION**

Not applicable.

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Not applicable.

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

27. STRUCTURED SETTLEMENTS

Not applicable.

STATEMENT AS OF JUNE 30, 2004 OF THE
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NOTES TO FINANCIAL STATEMENTS

28. HEALTH CARE RECEIVABLES

A. Pharmaceutical Rebate Receivables (dollars in thousands)

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 days after Billing
6/30/2004	1,003	1,188			
3/31/2004	1,052	1,078	1,139		
12/31/2003	942	1,156	943	114	
9/30/2003	943	1,154	976	132	
6/30/2003	953	1,076	971	17	6
3/31/2003	961	915	759	185	134

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

Not applicable.

31. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable.

STATEMENT AS OF JUNE 30, 2004 OF THE
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GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes ☐ No ☒
- 1.2

If yes, explain:
.....
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☒ No ☐
- 3.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

02/10/2004
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- If yes, complete the Schedule Y - Part 1 - organizational chart.
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☐ NA ☒
- If yes, attach an explanation.
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002
- 7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2002
- 7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/11/2004
- 7.4

By what department or departments?
The Michigan Office of Financial and Insurance Services
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ No ☒
- 8.2

If yes, give full information:
.....
- 9.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 9.2

If response to 9.1 is yes, please identify the name of the bank holding company.
.....
- 9.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 9.4

If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....
.....

STATEMENT AS OF JUNE 30, 2004 OF THE
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GENERAL INTERROGATORIES
INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

10.2 If yes, explain:
.....

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$

13. Amount of real estate and mortgages held in short-term investments: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

14.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$30,407,247	\$37,396,407
14.24 Short-term Investments	\$	\$
14.25 Mortgages, Loans or Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$30,407,247	\$37,396,407
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []

If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Comerica Bank, NA.....	Detroit, Michigan.....
The Northern Trust Company.....	Chicago, Illinois.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
70923.....	Mary Ann Logsdon.....	Chicago, Illinois.....
	Brian Gamble.....	Detroit, Michigan.....
7691.....	Susan Renaud.....	Detroit, Michigan.....
110441.....	Sandy Goodman.....	Pasadena, California.....
126292.....	Joe Gasky.....	Charlotte, North Carolina.....
107247.....	Joe Wich.....	Detroit, Michigan.....

SCHEDULE A - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	4,573,591	6,005,800
2. Increase (decrease) by adjustment	(475,894)	(2,527,786)
3. Cost of acquired	0	0
4. Cost of additions to and permanent improvements	101,090	1,095,577
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	4,198,787	4,573,591
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	4,198,787	4,573,591
11. Total nonadmitted amounts	3,246,304	3,670,918
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	952,484	902,673

SCHEDULE B – VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount and mortgage interest points and commitment fees		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets Included in Schedule BA

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	0	0

SCHEDULE D - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	165,719,615	130,357,631
2. Cost of bonds and stocks acquired	11,297,781	182,194,898
3. Accrual of discount		0
4. Increase (decrease) by adjustment	20,892,767	11,093,745
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal	753,501	2,583,241
7. Consideration for bonds and stocks disposed of	18,445,509	160,509,900
8. Amortization of premium		0
9. Book/adjusted carrying value, current period	180,218,155	165,719,615
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	180,218,155	165,719,615
12. Total nonadmitted amounts	19,249,010	4,912,197
13. Statement value	160,969,145	160,807,418

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SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	32,938,008	14,950,821	19,938,008		32,938,008	27,950,821	.0	19,935,486
2. Class 2 .....	.0				.0	.0	.0	.0
3. Class 3 .....	.0				.0	.0	.0	4,912,197
4. Class 4 .....	.0				.0	.0	.0	.0
5. Class 5 .....	.0				.0	.0	.0	.0
6. Class 6	0				0	0	0	0
7. Total Bonds	32,938,008	14,950,821	19,938,008	0	32,938,008	27,950,821	0	24,847,683
PREFERRED STOCK								
8. Class 1 .....	.0				.0	.0	.0	.0
9. Class 2 .....	.0				.0	.0	.0	.0
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	32,938,008	14,950,821	19,938,008	0	32,938,008	27,950,821	0	24,847,683

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	27,950,821	XXX	27,950,821	141,445	

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	19,935,486	151,136,813
2. Cost of short-term investments acquired	42,909,310	8,766,340,906
3. Increase (decrease) by adjustment		0
4. Increase (decrease) by foreign exchange adjustment		0
5. Total profit (loss) on disposal of short-term investments		0
6. Consideration received on disposal of short-term investments	34,893,975	8,897,542,233
7. Book/adjusted carrying value, current period	27,950,821	19,935,486
8. Total valuation allowance		0
9. Subtotal (Lines 7 plus 8)	27,950,821	19,935,486
10. Total nonadmitted amounts		0
11. Statement value (Lines 9 minus 10)	27,950,821	19,935,486
12. Income collected during period	141,445	1,513,478
13. Income earned during period	132,011	1,569,329

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

STATEMENT AS OF JUNE 30, 2004 OF THE
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SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	2	Direct Business Only Year-to-Date					
				3	4	5	6	7	8
States, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums
1. Alabama	AL	No	No						
2. Alaska	AK	No	No						
3. Arizona	AZ	No	No						
4. Arkansas	AR	No	No						
5. California	CA	No	No						
6. Colorado	CO	No	No						
7. Connecticut	CT	No	No						
8. Delaware	DE	No	No						
9. District of Columbia	DC	No	No						
10. Florida	FL	No	No						
11. Georgia	GA	No	No						
12. Hawaii	HI	No	No						
13. Idaho	ID	No	No						
14. Illinois	IL	No	No						
15. Indiana	IN	No	No						
16. Iowa	IA	No	No						
17. Kansas	KS	No	No						
18. Kentucky	KY	No	No						
19. Louisiana	LA	No	No						
20. Maine	ME	No	No						
21. Maryland	MD	No	No						
22. Massachusetts	MA	No	No						
23. Michigan	MI	No	Yes	615,663,754	66,995,587		36,573,464		
24. Minnesota	MN	No	No						
25. Mississippi	MS	No	No						
26. Missouri	MO	No	No						
27. Montana	MT	No	No						
28. Nebraska	NE	No	No						
29. Nevada	NV	No	No						
30. New Hampshire	NH	No	No						
31. New Jersey	NJ	No	No						
32. New Mexico	NM	No	No						
33. New York	NY	No	No						
34. North Carolina	NC	No	No						
35. North Dakota	ND	No	No						
36. Ohio	OH	No	No						
37. Oklahoma	OK	No	No						
38. Oregon	OR	No	No						
39. Pennsylvania	PA	No	No						
40. Rhode Island	RI	No	No						
41. South Carolina	SC	No	No						
42. South Dakota	SD	No	No						
43. Tennessee	TN	No	No						
44. Texas	TX	No	No						
45. Utah	UT	No	No						
46. Vermont	VT	No	No						
47. Virginia	VA	No	No						
48. Washington	WA	No	No						
49. West Virginia	WV	No	No						
50. Wisconsin	WI	No	No						
51. Wyoming	WY	No	No						
52. American Samoa	AS	No	No						
53. Guam	GU	No	No						
54. Puerto Rico	PR	No	No						
55. U.S. Virgin Islands	VI	No	No						
56. Canada	CN	No	No						
57. Aggregate Other Alien	OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)		XXX	(a) 1	615,663,754	66,995,587	0	36,573,464	0	0
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798. Summary of remaining write-ins for Line 57 from overflow page				0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)				0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

Schedule Y - Part 1

NONE

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

.....NO.....

Explanation:

1.The Company is not required to submit to an SVO valuation, per the Forms and Instructions for required filings in Michigan as authorized by the Commissioner.

Bar Code:

1. 
9 5 8 4 4 2 0 0 4 4 7 0 0 0 0 0 2

STATEMENT AS OF JUNE 30, 2004 OF THE
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OVERFLOW PAGE FOR WRITE-INS

MQ004 Additional Aggregate Lines for Page 04 Line 14.
*REVEX1

1404.	Mental Health & Substance Abuse.....		19,191,558	22,505,322
1405.	Other.....		17,672,802	16,627,899
1497.	Summary of remaining write-ins for Line 14 from Page 04	0	36,864,360	39,133,221

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

SCHEDULE D - PART 3

[illegible]

E04

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

SCHEDULE E - PART 1 - CASH

E08